



## CITY OF MORGAN HILL

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### PLANNING COMMISSION MINUTES

#### REGULAR MEETING

MARCH 14, 2000

**PRESENT:** Kennett, Lyle, McMahon, Pinion, Ridner, Sullivan

**ABSENT:** None

**LATE:** Mueller

**STAFF:** Planning Manager (PM) Rowe, Senior Planner (SP) Banks, Associate Engineer (AE) Creer, and Administrative Secretary Smith

#### REGULAR MEETING

Chairman Pinion called the regular meeting to order at 7:05 p.m.

#### DECLARATION - POSTING OF AGENDA

Administrative Secretary Smith certified that this meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

#### PUBLIC COMMENTS

Chairman Pinion opened the meeting to public comments.

There being none, the public comments were closed.

#### MINUTES:

**FEBRUARY 22,  
2,000**

**ON A MOTION BY COMMISSIONERS LYLE/KENNETT, THE MINUTES OF THE FEBRUARY 22, 2000 MEETING WERE APPROVED BY A 6-1 VOTE, WITH RIDNER ABSTAINING, WITH THE FOLLOWING AMENDMENTS:**

- 1) Page 3, paragraph 2, sentence 2, amended to read: "**....2001 & 2002 MICRO SET-ASIDE AND TO.....**"
- 2) Page 5, paragraph 4, sentence 3, amended to read: "**.....support another 1.6 million sq. ft. of R&D.....**"
- 3) Page 7, paragraph 3, language added as follows: "**.....MAJOR GATEWAY TO THE CITY OF MORGAN HILL-, AND THE DESIRE TO KEEP THE LAND AS A BUSINESS PARK, AS IT IS A SCARCE RESOURCE.**"
- 4) Page 8, paragraph 2, sentence 4, amended to read: "**...to place any restrictions**

~~reserves~~ on the applicant,....."

**CONSENT:**

**1) APPROVAL OF FINAL RDCA AWARD OF BUILDING ALLOCATIONS FOR FY 2001-02 OPEN MARKET COMPETITION** Commissioner Lyle pointed out that the transfer of 8-unit Micro set-asides should also be included in Section 1 of Resolution No. 00-03.

**COMMISSIONERS LYLE/KENNETT MOTIONED TO APPROVE RESOLUTION NO. 00-03, WITH THE AMENDMENT TO SECTION 1 TO ALSO INCLUDE THE 8-UNIT TRANSFER FROM THE MICRO SET-ASIDE. THE MOTION CARRIED 6-0 (MUELLER WAS NOT PRESENT).**

**OLD BUSINESS:**

**2) GPA-98-03/ZA-99-12/SD-99-12: COCHRANE-VENTURE CORPORATION** The applicant is requesting the following approvals amending the development plan for Morgan Hill Ranch: (1) A General Plan Amendment to redesignate approximately 7 acres from Industrial to Multi-Family Medium Residential (14-21 units per acre) and redesignate 7.9 acres from Industrial to Public Facilities (permanent detention pond);

(2) Amend the Planned Unit Development (PUD) for the project to redesignate approximately 7 acres from Non-Manufacturing Business to Multi-Family Residential, redesignate 7.9 acre from Non-Manufacturing Business to Public Facilities (permanent detention pond), redesignate 8.5 acres from Non-Manufacturing Business to Research and Development (temporary detention pond for future R&D use), modify the allowable uses in the General Commercial area to allow limited research and development uses, modify the Non-Manufacturing Business designation to allow Assisted Living as an allowable use, modify the approved circulation plan for the western portion of the project site; and allow lots of 2/3 acres at the southern end of the site (Digital Drive); and (3) A tentative parcel map to subdivide the project site.

SP Banks presented the staff report, reviewing the various applications and identifying the requested changes by the Commission. He provided the Commission with several of Staff's alternative recommendations. In Areas 1 and 2, the area adjacent to the EAH apartments, Staff's recommendation, versus the Commission's request to add R&D as an allowable use and allow other uses to occur as well, was that the area be designated R&D and allow for the specific uses listed in the staff report. In Area 5, the lots near Marie Callender's, SP Banks indicated that the Commission supported R&D on the southerly half of those two lots, with the retention of the front portion for commercial services that would serve the Business Park. He stated that Staff had reviewed the Commission's request and identified a couple of concerns for discussion. One concern Staff expressed was that splitting the area in half would leave approximately 11 acres along Cochrane Road with a depth of about 400 ft., which they feel would be a relatively shallow depth for commercial uses and could result in a strip-commercial look. SP Banks continued by saying that strip commercial issue has been raised as a concern by the Commission, the City Council and residents of the community. He also noted that access to this area would be difficult if the back portion is taken up by R&D and office uses, and depending on the building placement, you could end up with curbcuts fairly close to the Butterfield and Cochrane intersection. SP Banks then presented Staff's recommendation to retain Area #5 for commercial uses, to master

plan the area to show how future commercial uses that serve the Business Park may occur, in combination with offices, under that designation, and to show how appropriate access could be provided. He added that the master plan would be returned to the Commission for review, and that Staff felt this could be done in a relatively short period of time. SP Banks also requested that the Area 8 5-acre minimum lot size condition of approval for the tentative map also be reflected in the PUD ordinance for clarification, and indicated that Staff included revisions to the environmental documents as requested by the Commission to modify mitigation measure N3 in the noise section to require that only the office portion of the use would need to be set back at least 100 ft. from the railroad tracks, and that a note be placed on the final map notifying potential developers of possible train generated vibration and noise impacts within 100 ft. setback from the tracks.

SP Banks pointed out a letter to the Commission from the Department of Fish and Game recommending that an increase to 140 acres be required for the burrowing owls mitigation. He stated that based on the many discussions held between Staff and the applicant and the respective attorneys, that it is believed that the approach currently indicated within the environmental document is correct and appropriate in the amount of mitigation required. Therefore, SP Banks said that Staff does not recommend any changes as recommended by the Department of Fish and Game.

SP Banks requested the Commission to approve the Mitigated Negative Declaration for the project; adopt Resolution No. 00-07 to approve the General Plan Amendment; adopt either Resolution No. 00-08A (the Planning Commission recommendation for the PUD Amendment, or adopt Resolution No. 00-08B (Staff's recommendation for the PUD Amendment); and adopt Resolution No. 00-09 approving the subdivision request, with the recommendations for approval to be forwarded to the City Council. SP Banks responded to questions from the Commission.

Chairman Pinion indicated that he had a concern with what would ultimately be built opposite of Anritsu, and that his thought was that more R&D might work opposite of Anritsu and be able to be blended in with the rest if commercial use is still allowed. SP Banks commented that if the Commission wanted to add R&D, that Staff would still recommend the same approach in order to show how that could be master planned in such a way that Staff could still accomplish all of the goals of the Commission.

Commissioner Mueller expressed concern with the transportation mitigation measure, where some of the mitigations are delayed until almost at the end of the development, and assume that if the widening of 101 occurs that they are not even needed. SP Banks indicated that the mitigation and the triggers in the study are based upon when this project would trigger those impacts. Commissioner Mueller continued by saying that the way the models are working, that he is not sure that the traffic studies done for this project completely reflect the impact of Cisco, because he felt that if they were reflected in the background information of the traffic studies appropriately, they would be needed sooner. SP Banks added that if Cisco triggers impacts on Cochrane Road, then they should be responsible for making those improvements. Commissioner Mueller further stated that if the impact of Cisco have been under-estimated in the traffic study for this project, then there may be a need for these mitigations sooner than what the square footage trigger would allow, and requested that comments be noted that would allow the Commission to

revisit that issue once the Cisco background is fully understood.

Commissioner Mueller commented that he was not very happy with the answer given representing the change made to the initial study with respect to the Fire Department comments. He said that a qualitative answer was provided and that he felt they could have given a more data-driven response. SP Banks stated that the environmental consultant did contact the Fire Department and they expressed that they do not have a concern with regard to providing inspection services, as it is included in the contract with the City and that the contract anticipates that there will be additional growth within the City and that additional inspections will be needed as the City continues to grow.

Chairman Pinion opened the public hearing.

Lauren Brewer, Sr. Project Manager with EAH, expressed concern with the action taken by the Commission at the February 22<sup>nd</sup> meeting regarding their recommendation not to allow residential use adjacent to the EAH apartments. She felt that the EAH project will be isolated, being the only housing project in an industrial park, and that the isolation will be detrimental to the project's long-term viability and will jeopardize the City's investment in the EAH project. Ms. Brewer requested that the general plan and PUD amendments be approved to allow the 7 acres to be redesignated as multi-family residential as it was originally proposed. She then addressed questions from the Commission.

Robert Eves, applicant and Developer at Morgan Hill Ranch, provided comments on several of Staff's recommendations, and stated that he opposed the redesignation of the 7 acres as multi-family residential, and that he took issue with Staff's recommendation not to allow Area 5 to be split. He said that he disagreed with Staff's comments that if the property is allowed to be split in half that a strip center would occur, and stated that he felt that idea inaccurate and inconsistent with their goals of this portion of Morgan Hill Ranch. Mr. Eves distributed two letters to the Commission from The W.T. Mitchell Group, the original developer of Cochrane Plaza, and from Terramonics, one of the largest commercial brokerage firms in northern California that specialize in retail and that they have had the listing for the Morgan Hill Ranch retail component since last Fall. Mr. Eves pointed out that William Mitchell noted in his letter that they had contacted virtually every firm that is a suitable candidate for adding more retail in the Morgan Hill Business Park, but were uniformly rejected by all of the companies that were approached. Mr. Eves also pointed out language in the letters where it was indicated that the 400 ft. depth that is being proposed is felt to be more than adequate for retailers that would support the Morgan Hill Ranch business development, and where they did not feel a grocery store would consider locating in the Morgan Hill Business Ranch nor anywhere in the northern part of Morgan Hill due to the inadequate population. Mr. Eves stated that the purpose of the letters was to point out that if the Planning Commission decides to maintain its original decision to draw a line east-west across Area 5, that the development of the kind that he is proposing could easily be accommodated.

Mr. Eves then presented their vision of a large corporate campus for the property. He requested zoning that would allow retail & office uses; however, stated that if the Planning Commission decided to just simply make it all R&D and forget all forms of retail, he would probably not object to it because there has not been any interest from anyone anyway. He

then stated that they have not requested that the zoning be done in that fashion, but that they would prefer to be allowed to continue to pursue any retail users, and that they could be located on the north side of the line. Mr. Eves stated that this project has been in the planning stages for two years, and that he could not think of a need or benefit for a study as recommended by Staff. He continued by saying that it would only add still another six months of unnecessary time onto this period to achieve no particular end. He felt the study would be a sinkhole for time and money. Mr. Eves again requested that they be allowed to add the additional use of R&D from the corner of Monterey and Cochrane in Area 2 all the way across to Marie Callender's, and that on Area 5 that they be allowed to have retail so that they will have the opportunity to attract companies that will support the Morgan Hill Ranch project and the industrial development directly across the street. Lastly, Mr. Eves requested that the Commission revisit the 5-acre lot minimum request, and asked that they be given the freedom to allow the market to drive the lot sizes.

The Commission entered into discussion. Commissioner Ridner stated that he had a problem with the Commission trying to place specific restrictions on the parcels in Area 5 and in Area 8, in terms of the 5-acre minimum, as he felt that the market will dictate what ends up being built at Morgan Hill Ranch and that Staff has the ability to review each application as it comes forward for building permits. He also commented on traffic impact concerns mentioned by Commissioner Mueller, and stated that he understood his concerns with what happens with Cisco, but all of these things are point-in-time type issues. Commissioner Ridner continued by stating that, to the extent that an acceleration clause is put in place for this specific developer, typically a pro forma is prepared based on a staging of improvements that are required, and if the traffic impacts that may be required for this project were to be triggered sooner rather than later, in terms of development prospect, it may not be economically feasible for the developer to do this. He felt that this issue should be something that the Commission should think about when considering placing a trigger on them sooner rather than later.

Commissioner Kennett agreed with Commissioner Ridner's comments on Area 5, as she also did not see the necessity of dividing the area. She stated that she would maintain her stance on Area 8, and that she was in favor of Staff's recommendation because what she thought the Commission was trying to do was not necessarily limit the parcels to 5 acres, but to try and retain some larger areas for larger companies to come in, and not have someone who wants maybe 2 acres to come in Area 8 and choose a site to build on just anywhere in Area 8, which would prohibit a larger company from coming in.

Commissioner McMahon stated that based on the length of discussion that the Commission had regarding the Morgan Hill Ranch, that she is reluctant to make any changes to what they agreed to at the last meeting, but that she feels that Staff's recommendation regarding Area 5 and their reasons for not wanting to split it seem to make sense to her. Therefore, she stated that she would be in favor of a designation that would allow for the commercial and the campus industrial uses for the entire parcel rather than breaking it up north and south by a vertical line and designating one or the other.

Commissioner Mueller requested an acceleration clause as well as a delaying clause on the traffic mitigation measures so that the Commission can revisit the issue. He commented that in Area 5 that he feels that Staff brings up an interesting point, but that he does not

think that they need to go study it for 6 months or so, and that he thinks some of the front area should be reserved for commercial use. He stated that he felt that a compromise between the applicant's request and Staff's request to do a master plan could be reached and in a relatively short amount of time, as all that would be required would be to give the Commission an idea of how the buildings would be placed there given the space allowed. Regarding the minimum acreage issue, Commissioner Mueller felt that they could lower the minimum acreage because with the market dynamics, the 5-acre minimum could turn out to be a major obstacle. He stated that the one thing that could hurt the development in that area and lose the business is if they have to come back before the Commission and the City Council. He feels they should be able to assess the impacts and be prepared to react, because today companies want to be able to build fast.

Commissioner Lyle stated that Area 8 looks like it might subdivide better at 4 acres versus the 5-acre minimums, with a constraint that says Area 8 will not be the first area to be subdivided and built on, in an effort to keep that area open. He said that the possible strip mall was also a big concern of his, and stated that he is in favor of Staff's recommendation to get a more specific plan laid out to ensure against a strip mall, and also to make sure that the traffic issue is covered. With respect to the traffic impacts, Commissioner Lyle indicated that he shares Commissioner Mueller's concern, and suggested several alternatives, such as having the triggers in the traffic study, along with having language that says these projected background conditions get reevaluated in x-number of months or years to see if things are on track, and if not, then that square footage requirement would either go up or down accordingly. He also suggested that some of the improvements be done on a stage-by-stage basis as another alternative. Commissioner Lyle concluded by stating that he would like to see R&D uses exclusively in Areas 1 and 2, and that in general he is in favor of Staff's recommendation under Resolution 00-008B as opposed to Resolution No. 00-008A.

Commissioner Sullivan commented that she would like to see something that addresses how the northwest corner of Butterfield and Cochrane could be used. With regard to the discussion to support the Business Park, she stated that as a previous member of the Morgan Hill Business Park it is very difficult to find everything there, including office supplies, and that she does support putting commercial use there, although putting a strip mall there is problematic. Commissioner Sullivan further stated that she thinks that they should place a limit on the time to complete the study, and that it should be diagrammatic and not a study that's done under a PUD-type mentality. She stated that she was in agreement with the rest of the staff report recommendations. With respect to Area 8, Commissioner Sullivan commented that it is difficult to put 5-acre lots there without having lots of extra space, and that she would also be willing to go with 4-acre lot minimums in Area 8..

Chairman Pinion stated that he was attempting to find a compromise in Area 5 and to encourage the retention of part of the area for commercial and allow R&D uses, so he was not in favor of Staff's recommendation. He stated that he would be happy if the entire area was developed as R&D. Chairman Pinion also commented that he was leaning towards agreeing with Commissioner Ridner in allowing the market to dictate what happens with the acreage there, and that the reason he initially wanted some control over this development in Area 5 was that he wants to see quality results there. Chairman Pinion

added that when you tie in the traffic impact to the square footage that is built, you then have a nexus established for the impact that is generated by that traffic; however, when you start driving it off of external factors, you no longer have that nexus and you are running afoul of what the laws really are for burdening projects for extraneous issues. He stated that he did not want to see the area over-congested, but did not feel that was a fair burden to put on the project.

Commissioner Mueller added that he thought that the landscaping under the PUD should be revisited. He indicated that he would like to see more than what the PUD currently requires for some of the projects, as the current landscaping requirements are many years old and need to be reviewed to be consistent with what has been required for other areas in town.

Commissioner Ridner, after hearing the comments made by the other Commissioners with respect to Area 5, stated that typically from a developer's perspective, retail land has a higher economic value than other developments, such as office or R&D, so he is sure that the developer would like nothing better than to have several retail uses come in and vie for this property, but that he did not see it. He also provided comments regarding the issue that if in fact a campus user were to come to Morgan Hill and come to this project, that in all likelihood they would want a highly visible kind of an area, and that there are only two that currently exist. One is Area 5, and assuming that they could not fit in Area 2, the other is the bottom portion of Area 8, which is the area located below Area 3 on Monterey. Therefore, he felt that they needed to give the developer the flexibility to have the ability to bring in an office-campus user to Area 5, and that he felt a well-designed office campus would look very attractive, would be a perfect use there, and it would be consistent with the users' desire to have some high degree of visibility. Commissioner Mueller stated that he believes that if Morgan Hill is going to get a major office supplier to support the business development in Morgan Hill, it will be located on Cochrane Road, or they will not come because they will want to take traffic from some other place.

Chairman Pinion reopened the public hearing.

Robert Eves recalled that Anritsu, Sakata and Abbott did not locate on Cochrane Road because they were not allowed to locate there. He stated that two large office suppliers looked at Morgan Hill Ranch and rejected the location because office suppliers get the majority of their orders from companies through the internet or the telephone using their catalogues. Mr. Eves offered to leave Area 5 zoned for retail and office uses. He stated that they will take it as it currently exist. He withdrew their request to convert Area 5 to R&D, with the understanding that when they are ready to bring a campus to Morgan Hill Ranch to be located on Area 5, they would then submit a specific plan to the Planning Division for thorough review, integrate it with any retail that should ever come and offer it up at that time. They would not be able to do anything for R&D in Area 5 until they submit a specific plan. Mr. Eves also requested that Area 8 be changed to be split into two parts, Upper Area 8 and Lower Area 8. He stated that they think that they and the City would be better served going with this plan, and rather than set a specified number of acres for Upper Area 8, they request that the Commission leave it as it is and that they would make the promise that they must build contiguous to other already built areas, which would ensure the City the largest possible parcel will remain until the last. Mr.

Eves then requested that the Lower Area 8 be allowed for a minimum lot size of 2 acres. He also proposed to change the Upper Area 9 to 2-acre minimums, and the Lower Area 9 to 2 acres, the area on the west side to 2 acres, and all of the rest be restricted to development so that they cannot build anything except adjacent to existing building to ensure that the very largest area stays for the longest time. Lastly, Mr. Eves requested that R&D zoning be added to Areas 1 and 2 rather than converting the zoning out of its current use and limiting it strictly to R&D use.

Chairman Pinion closed the public hearing.

Chairman Pinion requested comments from SP Banks in response to Mr. Eves' latest proposals. SP Banks stated that with the change to Area 5, the concern brought up by the Commission was to ensure that some area within the Business Park remain for commercial use that would serve the Business Park. The proposal by the applicant, although it would remove R&D, still would not necessarily guarantee that there would be some area for those commercial serving businesses, and that he felt that this would be a policy issue for the Commission to determine. SP Banks added that at the last meeting this was an important issue that was raised by the Commission, which prompted Staff to suggest planning out the area to show how that could occur, and that he felt that if the uses are left as they are today, that the entire area could develop with offices and the Commission may not get the commercial services that are hoped for in that area. He stated that Staff thinks that retaining an area for some commercial services makes sense for the Business Park.

In Area 8, SP Banks commented that splitting that area as proposed by the applicant is a long-term goal, and that he is not certain it would accomplish the goal of ending up with the largest portion until the last, as it would still allow for the area to be carved up into smaller lots and not retain any area for larger users. He felt that this issue is also a policy decision for the Commission to determine. With regard to just adding R&D adjacent to Areas 1 and 2 as an allowable use and retaining non-manufacturing businesses, SP Banks indicated that not changing the use would permit other uses to go in there, and reiterated Staff's concerns with allowing this and suggested that if the Commission wants to see R&D in those areas, that the list of allowable uses provided in the staff report ought to be allowed for the area. He said that Staff would stay with their recommendation in that regard. Commissioner Sullivan made one point in reference to this particular situation. She commented that her company looks for large parcels of land and they do not talk about putting all of their employees on large parcels of land, but certainly from 200 to 500 people on one parcel, and if they cannot get parcels that are that size, they look elsewhere. She stated that as they look around in San Jose, the places that they can go is becoming more and more limited, and they are looking south and everywhere. She said that it makes sense that all the companies that are going to follow Cisco are going to be buying in the next couple of years, and that demographics will change in terms of companies, that the need for larger companies will change in the next five years versus what it has been in the last 20 years, and that this is a direct result of the buildout. Commissioner Mueller stated that he did not necessarily like the applicant's proposal.

Commissioner Ridner stated that, philosophically, he agreed with the idea of having land available for a large user, but his only concern is that if the Commission puts restrictions on Area 5 and say that the land will have to be reserved for big-box retailers, then he feels that they have to put some timelines associated with those restrictions. Otherwise, he feels



that the Commission is putting unnecessary restrictions on the developer, and that if they become too restrictive in that regard, it causes an undue financial burden to the developer. Commissioner Sullivan suggested putting a restriction on that would release the 4 or 5-acre lot minimum at 85% of capacity, which would release the pressure at the point the market pressure is picked up.

PM Rowe shared that when the Technology Drive PUD was amended, all of the lots were not divided up into those small lots at one time. Rather than the companies coming in and saying I need to aggregate all of these smaller lots so that I can have a bigger lot for my company, the parcel maps were not recorded until the company came in and said this is what I need. He further stated that many of the companies bought land and built on half of it so that they could expand in size there. He indicated that by dividing it all up at this point, the ability of some companies that would like to stay in Morgan Hill or stay in the Business Park is precluded.

Commissioner Lyle commented that what distresses him most about the discussion versus what the Commission was given for review last time is that the requests are all over the place, and that he was having difficulty trying to pin things down. He stated that he did not like the restriction for Area 8 because it would not take much to put one building in and then a bunch of 1-acre lots, and that is the last thing they want to see there. Commissioner Lyle stated that he was shocked with that restriction because at the last meeting Mr. Eves stated "just make it a 4-acre minimum instead of a 5-acre minimum". He stated that he feels that Mr. Eves threw them a curve, and that he does not know what Mr. Eves wants now, as he seems to keeps changing his requests.

The consensus of the Commission were as follows: 1) Area 1 & 2: Staff's recommendation is to change to R&D exclusively, including offices and the uses suggested by Staff - Kennett, Lyle, Mueller, Ridner and Sullivan were in favor. McMahon and Pinion were opposed. 2) Area 5 - Applicant withdrew request and asked that the zoning be left as it is and if in the future a campus industrial use should present itself, they then would provide specific plans: McMahon, Pinion, Ridner and Sullivan were in favor. Kennett, Lyle and Mueller were opposed; and 3) All of Area 8 to be 4-acre minimum parcels with the condition that 75% of application acres are developed exclusive of Area 8. The consensus of the Commission was unanimous.

**COMMISSIONERS LYLE/RIDNER MOTIONED TO APPROVE THE MITIGATED NEGATIVE DECLARATION. THE MOTION CARRIED UNANIMOUSLY.**

**COMMISSIONERS MUELLER/MCMAHON MOTIONED TO APPROVE RESOLUTION NO. 00-07 (GENERAL PLAN AMENDMENT), WITH A RECOMMENDATION FOR APPROVAL FORWARDED TO THE CITY COUNCIL. THE MOTION CARRIED UNANIMOUSLY.**

Commissioner Mueller suggested that findings be added to Resolution No. 00-08B as to why the Commission does not want to allow residential use at the north east corner of Butterfield Boulevard and Jarvis Drive. The findings noted are as follows: 1) Existing housing within the Business Park has not provided housing for workers of the Business

Park as envisioned; 2) There is sufficient land within the City designated for housing; 3) The gateway to Morgan Hill and an R&D development will provide a more visually attractive entry to the City than a housing project; 4) Additional housing is not necessary within the project site as there are existing proposals for housing within close proximity of the project site; 5) R&D uses has less traffic impact for the area than housing; and 6) The intent of providing housing within the Business Park to encourage Abbott Labs to relocate to Morgan Hill has been accomplished. Additional housing is not necessary for business attraction.

**COMMISSIONERS MUELLER/SULLIVAN MOTIONED TO APPROVE RESOLUTION NO. 00-08B (ZONING AMENDMENT) WITH THE MODIFICATIONS PREVIOUSLY LISTED, THE ADDITION OF THE FINDINGS, AND THE INCLUSION OF THE MINIMUM LOT SIZE RESTRICTIONS FOR AREA 8, WITH THE RECOMMENDATION TO THE CITY COUNCIL FOR APPROVAL. THE MOTION CARRIED 6-1, WITH PINION OPPOSING. COMMISSIONER LYLE RECOMMENDED THAT CHAIRMAN PINION REVIEW THE REVISED RESOLUTION PRIOR TO IT GOING TO THE CITY COUNCIL. CHAIRMAN PINION AGREED TO DO SO.**

**COMMISSIONERS MUELLER/MCMAHON MOTIONED TO APPROVE RESOLUTION NO. 00-09 (SUBDIVISION), WITH RECOMMENDATION FOR APPROVAL FORWARDED TO THE CITY COUNCIL, WITH THE MODIFICATIONS DISCUSSED, TRAFFIC MITIGATION NUMBERS ARE TO BE CHANGED ACCORDINGLY BASED ON THE CHANGE TO R&D IN AREAS 1 AND 2, AND DATE AND TYPOGRAPHICAL CORRECTIONS NOTED. THE MOTION CARRIED UNANIMOUSLY.**

**NEW BUSINESS:**

**3) VAR-00-01:  
W. MAIN-  
COLETTA**

A request for a variance from the minimum lot area required in the R-1 (7,000) zoning district. The subject property is located on the north side of Main Ave., approximately 578 ft. west of DeWitt Ave., on an approximate 14,761 sq. ft. lot. PM Rowe presented the staff report. He noted that after Staff reviewed each of the findings, that they did not believe that the findings could be made in terms of the grant of special privilege or special circumstances. PM Rowe concluded with Staff's recommendation to the Commission to deny the request subject to the findings outlined in Resolution No. 00-10. The Commission queried PM Rowe regarding the proposed variance request.

Chairman Pinion opened the public hearing.

Anthony Coletto, applicant, reviewed photos of the property and the easement areas, presented a brief history of the site, and provided substantiating comments for his request for the variance. He indicated that he felt that the existing fire truck turn around which could provide access to service the six rear yards that face the property, as well as the subject property, and the ease of accessibility to City utilities that exist would provide benefits to the City. Mr. Coletto requested the Commission's consideration to approve

his application. Mr. Coletto responded to questions from the Commission.

Carole T. Kahn, neighboring property owner at 755 Hidalgo Court, asked for further information regarding the exact location of the property and specifics of the request. Upon clarification of this information, she stated that she opposed the variance request, expressing a concern with rental units going into the area, as the majority of the homes currently there are single-family residences, and that the existing homes on subject property do not fit with the larger homes in the area.

Chairman Pinion closed the public hearing.

**COMMISSIONER MCMAHON MOTIONED TO APPROVE STAFF'S REQUEST TO DENY THE REQUEST BASED ON THE FINDINGS IN RESOLUTION NO. 00-10. COMMISSIONER LYLE SECONDED THE MOTION. THE MOTION CARRIED 7-0.**

Commissioner McMahon commented that she was in opposition to the request based on what she felt was poor planning by the applicant, and that infact she felt it would be a special privilege to allow three units to be placed on the site when the neighboring properties have similar long lots and only one dwelling.

Chairman Pinion added that he agreed with Staff's assessment of the ordinance; however, one might say that special circumstance exist because of the way the City has provided utilities encumbering the lot. He continued by stating that the bulk of the encumbrance by the easements is due to the driveway, which was under the applicant's control at one point in time. Chairman Pinion stated that the thing that bothers him most is that if it were not for the easements, the applicant would be able to do this request. He added that the presence of the easements, or the lack of, does not change the physical size of the lot, so he did not understand the purpose of the underlying ordinance that restricts building based on the coverage of the easements. Chairman Pinion said that he could understand where it controls where the pad would be for the lot, but if that turns out not to be a bad location, he did not see why that should prohibit this, but said that he did not see the remedy to that problem being the variance. He concluded by saying that he saw the remedy being the exploration of the underlying ordinance and a possible amendment to that ordinance.

Commissioner Sullivan stepped down from the dias in order to avoid a possible conflict of interest, as she is employed by Cisco.

**OTHER BUSINESS:**

**4) REVIEW OF  
DRAFT EIR FOR  
THE CISCO  
SYSTEMS  
PROJECT IN  
COYOTE  
VALLEY**

It was suggested by Commissioner Lyle that the Commission provide PM Rowe their comments in writing. Commissioner Kennett stated that, for the record, that she wanted to relate the following sentence in Vol. I on page 199 of the EIR to the Sobrato High School Item 5 of this agenda: "According to the City of Morgan Hill's General Plan, buildout would result in unacceptable levels of service on Monterey Road north of Cochrane Road, Butterfield Boulevard from south of Morgan Hill Ranch to Dunne Avenue and Dunne Avenue between Highway 101 and Butterfield." PM Rowe added

that Commissioner Kennett's concern was one that Staff also have in terms of the assumptions made regarding the estimates that 80% of the estimated 52,800 daily vehicle trips generated by the project will be from north of the project site and 20% of the trips would be to/from the south. He also provided the following preliminary Staff comments: 1) Assumptions have underestimated the "80/20 split" - Further analysis is required in order for them to get a better assessment of where their employees would be commuting from. He said that he felt that if you looked at more than 20% of the workers coming from the south, then that has serious implications in terms of how that impacts our streets because everyone goes through Morgan Hill to get there; 2) Assumptions made have really underestimated the housing costs - It does not appear that any analysis has been done in terms of the workers and their income levels and their ability to purchase housing in Santa Clara County; 3) EIR do not adequately address what kinds of capital improvements would be needed, i.e., all of the transportation improvements stop at the urban reserve line; and 4) EIR has to look at the possibility that San Jose would like 50,000 jobs in north Coyote Valley, and that the 19,000 or 20,000 Cisco campus to occur before they start building the housing, because they have traditionally been the bedroom community for Silicon Valley by a disproportionate amount of the housing. He thinks that there will be tremendous pressures to look at opening that mid-valley area to housing, and then that will have impacts on Morgan Hill schools, although it could have benefits in terms of Morgan Hill's streets because it will allow an opportunity for people north of Morgan Hill to live in closer proximity to that employment center, and therefore, might have less impacts on the housing.

Commissioner Mueller pointed out that the first trip point for the urban reserve in San Jose is 5,000 jobs in the North Valley, which this project will more than satisfy in the first twelve months. He further stated that the argument made is that one of the new trigger mechanisms for the urban reserve is a stable San Jose financial situation, and a stable relationship with the State. Commissioner Mueller advised the Commission that a San Jose representative of the South County Joint Planning Committee stated that it would take them about two years from the time that they felt the trigger mechanisms were met to plan the urban reserve area for development. Commissioner Mueller said that he felt that it was highly likely that the trigger mechanisms for this urban reserve could be met with this project well within this planning horizon. He further stated that he agreed with PM Rowe's comments on the housing issues because, again at the last meeting of the South County Joint Planning Committee a representative of Cisco Systems and a representative from San Jose indicated that they picked this location primarily based on a map showing where all their current employees are living in the valley. He continued by stating that the problem with this is that this is all growth and that he did not agree with the logic that is in the EIR with regard to the affordability of housing. Commissioner Mueller stated that affordability really plays heavy, and stated that he felt Staff should really emphasize that issue, because without knowing good demographics on what they are going to put there, it is pretty hard to leap to that conclusion.

Chairman Pinion stated that all you have to do is go out to 101 in the morning and look at the thousands of cars that are driving from the south through Morgan Hill into San Jose to jobs to know that there is a tremendous demand for housing south of Morgan Hill, and that he felt that the closer the jobs get to Morgan Hill, the more they are going to want to commute to the south.

Commissioner Lyle commented on the impact of the average time of a number of intersections along Monterey Road, noting that by adding this project in at the 20% level for one of them would increase the average level of service from 13 seconds to 29 seconds, and if 40% is added to the south that it would be absolutely untenable. He also stated that the EIR totally ignores the Los Banos area and Merced county.

**IT WAS THE CONSENSUS OF THE COMMISSION TO PROVIDE PM ROWE WITH WRITTEN COMMENTS ON THE DRAFT EIR BY MARCH 22, 2000. HE STATED THAT HE WOULD PROVIDE THE CITY COUNCIL WITH THE COMMISSION'S SIGNIFICANT COMMENTS AT THE CITY COUNCIL MEETING ON THE EVENING OF MARCH 22, 2000.**

Commissioner Sullivan returned to her seat on the dias.

**5) REVIEW OF  
SOBRATO HIGH  
SCHOOL  
NOTICE OF  
PREPARATION**

PM Rowe presented the staff report and summarized the project changes. He responded to questions from the Commission. Commissioner Kennett stated that she is still against the proposed site, not only because of the greenbelt, but mainly due to the increased traffic impacts because she felt they would be endangering the children by putting them into these unacceptable levels that Cisco is saying is going to be produced. PM Rowe noted that Commissioner Kennett's concerns will be addressed in the revised EIR, as Staff had previously cited inconsistencies with our local general plan policies. PM Rowe also indicated that new alternative project sites will be evaluated, and that feasibility of these sites are to be discussed in greater detail in the EIR.

Commissioner Ridner expressed concern with the comments in the Notice of Preparation regarding the alternative sites identified in the School District's selection process, and how the discussion quickly went into the three optional access routes. He stated that he felt that the new alternative sites are a throw away, and that he believes that as a part of the site selection process that the School District may be opening themselves up to a whole new set of issues relative to CEQA because it would imply, based on the comments noted, that a thorough site selection process was not conducted initially. Commissioner Ridner also reiterated the Commission's recommendation that was in their June 23, 1999 letter, that the School District prepare a fiscal impact analysis, especially now that the School District is talking about acquiring additional properties beyond what was originally contemplated. He pointed out that the property was a gift before so maybe a rationale argument could be made that there is some economic reason for them to do it; however, now that they are at a stage where they are talking about acquisition of additional land, he felt that it places even a greater burden on the School District to come back with some sort of an explanation, not only on a physical characteristic standpoint, but also the financial implications being placed on the City as well.

Commissioner Mueller commented regarding the notation that the revised EIR will address alternative methods of providing police and fire protection. He wanted to ensure that they must look at multiple agencies, i.e., Morgan Hill and the South County versus San Jose's two departments, because one of the conditions of the City Council was that we will have to go and try to annex this property. Commissioner Lyle followed up on Commissioner Mueller's points by stating that there are two aspects involved: 1) Logically, the City of

Morgan Hill will be the first responders, so it is going to impact Morgan Hill whether or not San Jose has the responsibility; and 2) If they are annexed later, ordinarily if they were in the City to begin with we would get fire and police impact fees. He questioned whether the City would get the impact fees if they are annexed several years later. Commissioner Mueller also stated that he did not believe that a high school there would be without field lights on the athletic field for any longer than to get the campus in place.

Commissioner Kennett noted that she did not agree with the access drive being placed by the mobile home park, and she stated that she feels that the information in the Notice of Preparation is "consistently inconsistent".

Commissioner Lyle recommended that the assumptions that will be used to evaluate the site selection criteria be added to the EIR. He stated that he did not understand the growth being referred to in the notation at the bottom of page 2 of the Notice of Preparation that reads: "Find a location north of Morgan Hill and west of U.S. Highway 101, to place the new school near the focus of recent population growth and separate it from the existing Live Oak High School." He noted that there was no information provided to support this statement.

Commissioner Mueller stated that he is concerned that the School District is setting up a premise for which they will concede that they cannot build the school in the greenspace and then they will build it in mid Coyote Valley, at which point he will be extremely upset because then San Jose will come up with a way to buy the land for them.

Commissioner McMahon stated that in June when the draft EIR was before the Commission for review and comments, one of the justifications for an accelerated selection process was to break ground for the School in the month of February 2000. She added that it did not happen, and that it did not happen not just because it did not get the support of the Planning Commission of the City of Morgan Hill, but also due to a number of new requirements by the State.

Commissioner Lyle also mentioned the issue of the sewer and water upgrades and whether or not there is sufficient downstream piping size, and if not, he wanted to know who will be responsible for the upgrades.

Commissioner McMahon further expressed concern with the site selection process, stating that it just does not seem to be an objective process for the benefit of the children of Morgan Hill who need a high school and need it now.

PM Rowe requested that any additional comments from the Commissioners be submitted to him by March 22 in order for him to provide the City Council with the Commission's comments at their meeting on the evening of March 22nd.

## **ANNOUNCEMENTS**

## **CITY COUNCIL REPORTS**

PLANNING COMMISSION MINUTES

MARCH 14, 2000

PAGE - 15

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**ADJOURNMENT** There being no further business, Chairman Pinion adjourned the meeting at 11:17 p.m.

**MINUTES RECORDED AND PREPARED BY:**

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**FRANCES O. SMITH, Administrative Secretary**